Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this bill would create a pilot program within HUD which would allow for energy and water efficiency upgrades to be made to certain private multifamily HUD properties at no cost to the government.

Under this innovative pilot program, investors would provide all of the upfront capital to make the improvements, and they would only get paid based on a portion of the cost savings that result from the improvements. If there are no cost savings, the losses would be completely on the investors, not HUD or the taxpayers.

This is a rare win-win situation. HUD and taxpayers benefit from cost savings; tenants benefit from the improvements made to their homes; investors benefit from the profits, and of course, the environment benefits from the more responsible use of natural resources.

This bill also ensures accountability by requiring a third-party evaluation to verify any cost savings and also by requiring the Secretary to report on the outcomes of the pilot within a year of enactment.

There is simply no reason for bipartisan bickering on a bill like this. I urge my colleagues to support this bill, and I reserve the balance of my time.

Mr. LUETKEMEYER. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. ROSS), a distinguished member of the Housing and Insurance Subcommittee.

Mr. ROSS. Mr. Speaker, I thank the chairman and Ranking Member WATERS for their support.

As the chairman pointed out, currently, HUD spends more than $7 billion annually in energy and water costs. In our current fiscal environment, we must look to new technology and for innovative solutions to generate savings for both taxpayers and the Federal Government.

Today, I am proud to ask my colleagues to join me in supporting bipartisan H.R. 2997, the Private Investment and Housing Act. This legislation will establish a demonstration project that will encourage private sector entities to retrofit and modernize a limited number of HUD multifamily housing units at absolutely no cost to taxpayers.

This legislation is necessary because nonprofits and other entities that focus on financing for affordable housing are unable to enter into contractual agreements to retrofit HUD multifamily housing units. Imagine leveraging private capital to enhance the livability and inhabitability of affordable housing at no cost to the taxpayers or the Federal Government.

It doesn't involve any risk to the Federal Government or the taxpayer. In fact, investors take the first loss position on energy upgrades. If energy savings from these projects are not realized after private entities enter these contracts, the Federal Government does not pay anything, period.

If savings through these projects are achieved, they would lower HUD's energy expenditures by as much as 20 percent, creating tremendous savings for the taxpayer. Private entities who take on the risk to retrofit these units will receive a $1 return for every $1 in cost savings that are verified by a third party.

The demonstration program created by this legislation would help improve up to 20,000 HUD-assisted apartments receiving project-based rental assistance, supportive housing for the elderly, or supportive housing for persons with disabilities.

The demonstration projects will help a limited number of people at first in Florida and across the country. However, over time, once it is a proven success, more than 48,000 eligible properties in the State of Florida and the 900 units in my district alone may be able to benefit, again, at no expense to the taxpayer.

In addition to the direct economic benefits to taxpayers, these upgrades will bring meaningful health and other benefits to the families living in the buildings, creating a healthier and safer environment for residents.

I want to thank my colleagues, Representative JIM HIMES; Representative EMANUEL CLEAVER, ranking member of the subcommittee; and Representative JOHN DELANEY, for their support on this legislation.

I also want to thank Enterprise Community Partners for their support of this legislation and for the support of projects that encourage a public-private partnership in affordable housing.

I ask you join me in supporting this legislation to engage the private sector to help HUD reduce their annual $7 billion in energy and water spending.

Ms. MAXINE WATERS of California. Mr. Speaker, I urge support, and I yield back the balance of my time.

Mr. LUETKEMEYER. Mr. Speaker, I encourage support for H.R. 2997. I think it is a great idea to, again, go into a public-private partnership and utilize that as an opportunity, again, at no cost to the taxpayers.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. LUETKEMEYER) that the House suspend the rules and pass the bill, H.R. 2997.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. LUETKEMEYER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

MORTGAGE SERVICING ASSET CAPITAL REQUIREMENTS ACT OF 2015

Mr. LUETKEMEYER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1408) to require certain Federal banking agencies to conduct a study of the appropriate capital requirements for mortgage servicing assets for nonsystemic banking institutions, and for other purposes, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1408

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Mortgage Servicing Asset Capital Requirements Act of 2015''.

SEC. 2. STUDY OF MORTGAGE SERVICING ASSETS.

(a) DEFINITIONS.—In this section:

(1) BANKING INSTITUTION.—The term ''banking institution'' means an insured depository institution, Federal credit union, State credit union, bank holding company, or savings and loan holding company.

(2) BASEL III CAPITAL REQUIREMENTS.—The term ''Basel III capital requirements'' means the Global Regulatory Framework for More Resilient Banks and Banking Systems issued by the Basel Committee on Banking Supervision on December 16, 2010, as revised on June 1, 2011.

(3) FEDERAL BANKING AGENCIES.—The term ''Federal banking agencies'' means the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the National Credit Union Administration.

(4) MORTGAGE SERVICING ASSETS.—The term ''mortgage servicing assets'' means those assets that result from contracts to service loans secured by real estate, where such loans are owned by third parties.

(5) NCUA CAPITAL REQUIREMENTS.—The term ''NCUA capital requirements'' means the proposed rule of the National Credit Union Administration entitled ''Risk-Based Capital'' (80 Fed. Reg. 4340 (January 27, 2015)).

(6) OTHER DEFINITIONS.—

(A) BANKING DEFINITIONS.—The terms ''bank holding company'', ''insured depository institution'', and ''savings and loan holding company'' have the meanings given those terms in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(B) CREDIT UNION DEFINITIONS.—The terms ''Federal credit union'' and ''State credit union'' have the meanings given those terms in section 101 of the Federal Credit Union Act (12 U.S.C. 1752).

(b) STUDY OF THE APPROPRIATE CAPITAL FOR MORTGAGE SERVICING ASSETS.—

(1) IN GENERAL.—The Federal banking agencies shall jointly conduct a study of the appropriate capital requirements for mortgage servicing assets for banking institutions.

(2) ISSUES TO BE STUDIED.—The study required under paragraph (1) shall include, with a specific focus on banking institutions—

(A) the risk to banking institutions of holding mortgage servicing assets;

(B) the history of the market for mortgage servicing assets, including in particular the market for those assets in the period of the financial crisis;

(C) the ability of banking institutions to establish a value for mortgage servicing assets of the institution through periodic sales or other means;

(D) regulatory approaches to mortgage servicing assets and capital requirements that may be used to address concerns about the value of and ability to sell mortgage servicing assets;

(E) the impact of imposing the Basel III capital requirements and the NCUA capital requirements on banking institutions on the ability of those institutions—

(i) to compete in the mortgage servicing business, including the need for economies of scale to compete in that business; and

(ii) to provide service to consumers to whom the institutions have made mortgage loans;

(F) an analysis of what the mortgage servicing marketplace would look like if the Basel III capital requirements and the NCUA capital requirements on mortgage servicing assets—

(i) were fully implemented; and

(ii) applied to both banking institutions and nondepository residential mortgage loan servicers;

(G) the significance of problems with mortgage servicing assets, if any, in banking institution failures and problem banking institutions, including specifically identifying failed banking institutions where mortgage servicing assets contributed to the failure; and

(H) an analysis of the relevance of the Basel III capital requirements and the NCUA capital requirements on mortgage servicing assets to the banking systems of other significantly developed countries.

(3) REPORT TO CONGRESS.—Not later than 180 days after the date of enactment of this Act, the Federal banking agencies shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report containing—

(A) the results of the study required under paragraph (1);

(B) any analysis on the specific issue of mortgage servicing assets undertaken by the Federal banking agencies before finalizing regulations implementing the Basel III capital requirements and the NCUA capital requirements; and

(C) any recommendations for legislative or regulatory actions that would address concerns about the value of and ability to sell and the ability of banking institutions to hold mortgage servicing assets.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. LUETKEMEYER) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri.

GENERAL LEAVE

Mr. LUETKEMEYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LUETKEMEYER. Mr. Speaker, I yield myself such time as I may consume.

I rise today in support of H.R. 1408, as amended. I want to thank the gentleman from Colorado (Mr. PERLMUTTER) for introducing the legislation.

Mortgage servicing assets, or MSAs, also known as mortgage servicing rights, are contracts to service mortgage loans. Historically, these assets have been held by banks and credit unions that have existing or developing relationships with their customers.

However, the Basel III negotiations dramatically changed the capital requirements for MSAs, forcing many financial institutions to sell off these assets. Many have been sold to hedge funds or other nonbanks with little to no experience in dealing directly with consumers.

In recent years, a bipartisan group of five members of the Financial Services Committee sent letters to Federal banking regulators asking whether or not they have studied MSAs or MSA performance during the financial crisis before finalizing the Basel-generated capital requirements. The answer was pretty clear; the regulators had not.

There was no consideration of MSAs, how the assets have performed historically, or the impact that higher capital would have on consumers. What is more disconcerting is MSAs exist only in the United States. These are a uniquely American product. Nowhere else in the world do MSAs exist; yet it was international regulators who decided how these assets should be treated.

Last year, New York State superintendent of financial services Benjamin Lawsky addressed MSAs before a meeting of the Institute of International Bankers. Lawsky stated:

> We are finding we are creating giant nonbank servicers who, in a couple of instances . . . are not fully prepared to deal with this exponential rise in their portfolios, and they don't have the capacity to service the loans they are taking on.

Lawsky went on to say:

> While, on the one hand, we were trying to get rid of a problem, we made a different problem worse.

H.R. 1408 is a straightforward, bipartisan bill. The bill simply says that the U.S. banking regulators need to go back and study MSAs and the impact the new capital requirements will have on consumers. Given what we have seen in this space in the last year, I think it is not only appropriate but completely necessary that we take another look at MSAs.

I want to, again, thank Mr. PERLMUTTER for his work on this legislation, and I ask that my colleagues support our effort to ensure that a more methodical approach is taken by the banking regulators.

Mr. Speaker, I reserve the balance of my time.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield myself such time as I may consume.

During the foreclosure crisis of the last several years, we have learned how important the role of mortgage servicing is to our economy and our constituents. I am proud of the work we did in the Dodd-Frank Act and of the work that the Consumer Financial Protection Bureau continues to do to reform the practices of the mortgage servicing industry.

Unfortunately, this Congress has not been able to move legislation on broader housing finance reform. While we have left this business unfinished, there has been a large shift in the structure of the mortgage servicing industry, as nonbank servicers who are supervised by State regulators play a much larger role than they have in the past.

That is why I am supporting the good, bipartisan work Mr. PERLMUTTER and Mr. LUETKEMEYER have engaged in to make sure that State and Federal regulators are working together to understand the changes in the mortgage servicing industry and to make sure bank and nonbank services are treated appropriately under new financial rules.

This study will give regulators the information they need to monitor the impact of capital standards on the mortgage servicing market and encourage State and Federal regulators to work together to ensure that all mortgage services are appropriately capitalized, regardless of who regulates them.

□ 1345

H.R. 1408 will ensure that regulators are paying close attention to a vital part of our housing and financial system, and I am happy that we were able to work with the majority to pass this bill.

So I thank you, and I reserve the balance of my time.

Mr. LUETKEMEYER. Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas (Mr. HILL), who is a distinguished member of our Financial Services Committee.

Mr. HILL. I thank the manager, my friend from Missouri.

Mr. Speaker, I rise today in support of H.R. 1408, the Mortgage Servicing Asset Capital Requirements Act.

Mortgage servicing is a very valued product for our community banks. I am proud to represent several mortgage service firms connected to community banks in my State of Arkansas.

Having mortgage servicing assets connected with a residential lending portfolio adds value; it is incidental and important to banking; and, effectively, it is a proper hedge, a natural hedge for that residential lending business.

However, because of Basel III's capital requirements imposed on mortgage servicing organizations, many banks are being forced to sell their MSA portfolios to hedge funds or nonbanks, which don't really have the experience with the local customers in a personal, knowledgeable way like our community banks do.

MSAs are unique, as the gentleman from Missouri said, to the United States, but they are being regulated by rules developed by an international body without any study as to whether additional capital is even needed or any review on the impact of customer relationships.

In my view, while staying implementation of these capital requirements during a study, as provided in the original version of the bill, would be optimal, it is nonetheless imperative that the impacts of this rule be thoroughly analyzed, vetted, and understood.

I thank my friends, the gentlemen from Colorado and Missouri, for their work. I ask my colleagues to support this commonsense bill.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Colorado (Mr. PERLMUTTER), and I would like to thank him for the work that he has put into this legislation.

Mr. PERLMUTTER. Mr. Speaker, to my friend from California, I thank Congresswoman WATERS, Chairman HENSARLING for allowing me to bring this forward, my friend from Missouri (Mr. LUETKEMEYER), and I appreciate the remarks of the gentleman from Arkansas (Mr. HILL).

So after years of working on this issue, I am glad to see our work is culminating with the passage of H.R. 1408 today.

The language before us today represents a compromise simply requiring the Federal banking regulators—and by those I mean the Federal Reserve, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the Office of the Comptroller of Currency—to jointly study the capital treatment of mortgage servicing assets or mortgage servicing rights, and I will say MSRs or MSAs, under the Basel III Accords. It is nearly identical to section 116 of S. 1484, offered by Chairman SHELBY in the Senate Banking Committee.

Now, it differs from the original bill passed out of the Financial Services Committee on March 26 that included language to delay the current rule while regulators conducted a study and then proposed new appropriate capital requirements for MSRs. While many of us wish the bill included those provisions, the study is what is key. The study will be an important step in informing how we proceed with future actions establishing the appropriate capital requirements for MSRs.

Now, what does H.R. 1408 require?

Under H.R. 1408, regulators will have 6 months to study and report back to Congress many outstanding questions about the mortgage servicing industry, including:

One, the risk to banks and credit unions of holding mortgage servicing assets, MSAs;

Two, how the assets performed during the financial crisis;

Three, the ability to establish a value and liquidity for MSAs;

Four, the impact of imposing Basel III capital requirements on banks versus nonbank servicers; and

Five, the impact to consumers and the ability of regulated banks to service mortgages that they originate.

The mortgage servicing industry has shifted since the financial crisis of 2008, as Congresswoman WATERS mentioned. We have seen a significant sale of MSRs and MSAs from banks to nonbanks, including to specialty servicers, private equity firms, and hedge funds.

In 2013, about $1.03 trillion of mortgage servicing rights were sold, with a vast majority going to nonbank servicing companies. Moreover, the percentage of loans serviced by nonbanks has steadily increased from 12 percent to almost 31 percent.

Now, why is the market shifting?

While there are several factors for the growth in nonbank servicing activity, I believe the primary driver has been the capital treatment of MSAs under the Basel III Accords.

Basel III was always intended to apply to the largest, most interconnected globally active banks, but the MSA capital treatment is actually having the greatest impact on our smaller community banks.

Basel III caps the value of MSAs that depository institutions can count towards their tier 1 capital at 10 percent. Any MSAs that exceed the 10 percent threshold are subject to 100 percent risk weight, a standard that will increase to 250 percent by 2018.

Why is this a concern?

In addition to the capital treatment, there is a discrepancy between how banks and nonbank servicers are regulated. So there is additional regulation that comes down on the community banks while that same kind of regulation isn't seen by the nonbank servicers. And if there were to be another sudden market disruption or downturn, it is important we understand if nonbank mortgage servicers have the capacity or the expertise to manage defaults or modifications.

The Financial Stability Oversight Council, the FSOC, in its 2014 annual report specifically named the transfer of mortgage servicing rights to nonbanks as a ''potential emerging threat.''

The report says: ''MSRs are increasingly being transferred to nonbank mortgage servicing companies. While the CFPB and State regulators have some authority over these companies, many of them are not currently subject to prudential standards such as capital, liquidity, or risk management.''

Adam Levitin, the Democratic witness at our hearing, spoke favorably and in support of the bill, saying:

''MSRs have traditionally been an important asset class for depositories, as their value provides a countercyclical offset to mortgage origination activity, and MSR accounting is subject-enough to give depositories room to smooth their earnings.

''Basel III changes make MSRs an unattractive asset for banks.''

Representative LUETKEMEYER and I have questioned whether the prudential regulators struck the right balance between limiting risk exposure and ensuring that depository institutions can still compete with the nonbank entrants in the mortgage servicing arena. From the conversations we have had with the regulators, it is clear they did not study the specific capital treatment applied to MSAs and the impacts on consumers and the market.

Banks want to continue servicing mortgages they originate and maintain these connections to their communities, as Mr. HILL mentioned. However, if the current capital requirements remain in effect, it would make it more and more difficult.

Mr. Speaker, I will place in the RECORD two letters that we have received—one dated July 13 from the American Bankers Association, the other dated July 14 from the National Association of Federal Credit Unions—in support of H.R. 1408. I am glad that we were able to seek and reach a compromise on this bill. I urge the quick passage of H.R. 1408.

AMERICAN BANKERS ASSOCIATION,
July 13, 2015.

Re: ABA Support for H.R. 1334, H.R. 1408 and H.R. 1529

MEMBERS OF THE HOUSE OF REPRESENTATIVES: On behalf of the members of the American Bankers Association (ABA), I am writing to express our strong support for three banking related measures that are scheduled for consideration on the House suspension calendar on Tuesday, July 14.

H.R. 1334, the Holding Company Registration Threshold Equalization Act, introduced by Representatives Steve Womack (R-AR), Jim Himes (D-CT), Ann Wagner (R-MO) and John Delaney (D-MD), would extend to savings and loan holding companies (SLHCs) the Securities and Exchange Commission shareholder registration and deregistration thresholds enacted under the JOBS Act.

The JOBS Act did not expressly extend the new shareholder thresholds to savings and loan holding companies (SLHCs) as defined by the Home Owners Loan Act. However, Congress did not intend to treat SLHCs differently from bank and bank holding companies. H.R. 1334 would correct this oversight and extend the shareholder registration and deregistration requirements to SLHCs.

This bill passed the House Financial Services Committee on May 20, 2015 by a vote of 60–0 and passed the full House last Congress by an overwhelming vote of 417–4. We urge the members to once again pass this legislation.

In addition, the House will consider H.R. 1408, the Community Bank Mortgage Servicing Asset Capital Requirements Act of 2015 introduced by Representatives Ed Perlmutter (D-CO) and Blaine Luetkemeyer (R-MO). This ABA supported legislation would defer implementation of the Basel III rules on mortgage servicing assets (''MSAs'') until the impact of the new rules can be studied and alternatives explored.

Many banks that make mortgage loans also engage in servicing, which primarily consists of collecting mortgage payments and forwarding them to the ''owner'' of the loan; collecting insurance and tax payments; and addressing problems such as late payments, delinquencies, and defaults. Banks commonly sell mortgage loans into the secondary market but retain the right to service the loan (called ''servicing retained''). This strategy is an important way for banks to maintain valuable connections with their customers, while managing interest rate risk by selling long-term credit assets.

Banks are retaining less mortgage servicing due to Basel III's unfavorable capital treatment of MSAs. As a result, Basel III is unintentionally increasing the concentration of servicing held by less regulated, non-bank firms such as mortgage companies, REITs, hedge funds, and private equity firms that are not subject to the new capital restrictions. The long-term relationships that banks and their customers have established should not be penalized by Basel III's punitive capital treatment of MSAs.

Banks should be encouraged to service the loans that they make to their customers. This legislation stops the negative effects until the impact can be fully examined. The bill does not apply to the large international banks that Basel III was meant to address.

H.R. 1408 passed the House Financial Services Committee on March 26 by a strong bipartisan vote of 49–9. ABA urges strong support for this legislation.

The House will also consider H.R. 1529, the Community Institution Mortgage Relief Act of 2015, introduced by Representatives Brad Sherman (D-CA) and Blaine Luetkemeyer (R-MO). This bipartisan legislation, which passed the House Financial Services Committee by a vote of 48–10, would exempt from the escrow requirements imposed under the Dodd/Frank Act loans held by small creditors with less than $10 billion in assets. ABA supports the legislation's expansion of the Consumer Financial Protection Bureau's (CFPB) ''small servicer'' exemption to include servicers that annually service 20,000 or fewer mortgage loans. These important exemptions recognize the strong history of small institutions in providing high-quality mortgage servicing, even with limited staff and resources of smaller institutions.

Given their track record, small servicers should be incentivized to continue to service mortgage loans. Unfortunately, existing regulations are having the opposite effect. The existing escrow rules have the potential to drive small creditors from the mortgage market because it is difficult, if not impossible, for them to provide escrow services in a cost effective manner. Further, imposing escrow requirements often runs counter to customer preference as many mortgage customers prefer to pay tax and insurance bills on their own and not establish escrow accounts. Without the exemptions provided in this legislation, customers of smaller institutions will face higher costs to offset the cost of compliance for a service which they do not in some cases even want. Worse, some customers will face fewer credit choices as small local lenders choose to exit the mortgage market rather than incur the added staffing and technical expenses of adding escrow services. This is an important piece of legislation and ABA urges the House to pass H.R. 1529.

JAMES BALLENTINE,
Executive Vice President, Congressional Relations and Political Affairs.

NATIONAL ASSOCIATION OF FEDERAL CREDIT UNIONS,
Arlington, VA, July 14, 2015.

Re: Support for the Mortgage Servicing Asset Capital Requirements Act of 2015 (H.R. 1408)

Hon. JOHN BOEHNER,
Speaker, House of Representatives, Washington, DC.
Hon. NANCY PELOSI,
Minority Leader, House of Representatives, Washington, DC.

DEAR SPEAKER BOEHNER AND LEADER PELOSI: On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the federal interests of our nation's federally insured credit unions, I write today to urge your support of the Mortgage Servicing Asset Capital Requirements Act of 2015 (H.R. 1408), as amended, when it comes to the House floor. This bipartisan measure introduced by Representatives Perlmutter and Luetkemeyer would, among other things, ensure that the National Credit Union Administration (NCUA) study its second risk-based capital proposal's impact on credit union mortgage servicing assets.

As you know, NAFCU has concerns about many aspects of the NCUA's risk-based capital proposal including the portion relative to mortgage servicing assets which has a risk weight of 250 percent. NAFCU believes this is artificially high and a risk weight of 150 percent is more appropriate. This portion of the proposal is indicative of much larger issues with NCUA's proposal and NAFCU continues to believe it is a solution in search of a problem. In short, this entire proposal should be withdrawn until adequate cost-benefit analysis is done to determine the impact it will have on credit union lending and job creation. While NAFCU does not oppose a risk-based capital regime for credit unions, it must be done properly through statue with ample Congressional input.

Not only does NAFCU urge passage of H.R. 1408 to look at the mortgage servicing assets portion of the NCUA's risk-based capital proposal, but we also encourage the House to support and schedule action on the Risk-Based Capital Study Act of 2015 (H.R. 2769). This bipartisan legislation, introduced by Representatives Fincher, Posey and Denny Heck, would require NCUA to study the full impact of the entire risk-based capital proposal on credit unions and report back to Congress before taking any final action on the proposal.

Again, thank you for scheduling the consideration of the Mortgage Servicing Asset Capital Requirements Act (H.R. 1408) on the floor this week. We urge strong support for this legislation and hope the appropriate capital requirements for credit unions continue to be a focus in the House during this Congress.

Sincerely,

BRAD THALER,
Vice President of Legislative Affairs.

Ms. MAXINE WATERS of California. Mr. Speaker, I yield back the balance of my time.

Mr. LUETKEMEYER. Mr. Speaker, I just want to reiterate my support and thanks for the hard work of the gentleman from Colorado. He has been a leader on this issue, and certainly it has been a pleasure to work with him.

I urge passage of H.R. 1408, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Missouri (Mr. LUETKEMEYER) that the House suspend the rules and pass the bill, H.R. 1408, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: ''A bill to require certain Federal banking agencies to conduct a study of the appropriate capital requirements for mortgage servicing assets for banking institutions, and for other purposes.''.

A motion to reconsider was laid on the table.

SBIC ADVISERS RELIEF ACT OF 2015

Mr. LUETKEMEYER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 432) to amend the Investment Advisers Act of 1940 to prevent duplicative regulation of advisers of small business investment companies.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 432

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''SBIC Advisers Relief Act of 2015''.

SEC. 2. ADVISERS OF SBICS AND VENTURE CAPITAL FUNDS.

Section 203(l) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(l)) is amended—

(1) by striking ''No investment adviser'' and inserting the following:

''(1) IN GENERAL.—No investment adviser''; and

(2) by adding at the end the following:

''(2) ADVISERS OF SBICS.—For purposes of this subsection, a venture capital fund includes an entity described in subparagraph (A), (B), or (C) of subsection (b)(7) (other than an entity that has elected to be regulated or is regulated as a business development company pursuant to section 54 of the Investment Company Act of 1940).''.

SEC. 3. ADVISERS OF SBICS AND PRIVATE FUNDS.

Section 203(m) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3(m)) is amended by adding at the end the following:

''(3) ADVISERS OF SBICS.—For purposes of this subsection, the assets under management of a private fund that is an entity described in subparagraph (A), (B), or (C) of subsection (b)(7) (other than an entity that has elected to be regulated or is regulated as a business development company pursuant to section 54 of the Investment Company Act of 1940) shall be excluded from the limit set forth in paragraph (1).''.

SEC. 4. RELATIONSHIP TO STATE LAW.

Section 203A(b)(1) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3a(b)(1)) is amended—

(1) in subparagraph (A), by striking ''or'' at the end;

(2) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(C) that is not registered under section 203 because that person is exempt from registration as provided in subsection (b)(7) of such section, or is a supervised person of such person.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. LUETKEMEYER) and the gentlewoman from California (Ms. MAXINE WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri.

GENERAL LEAVE

Mr. LUETKEMEYER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LUETKEMEYER. Mr. Speaker, I yield myself such time as I may consume.